

Date: August 22, 2003

To: Chairman Randolph and Commissioners Blair, Downey, Karlan, and Knox

From: Mark Krausse, Executive Director

EXECUTIVE DIRECTOR'S REPORT

This is a summary of administrative activity and other matters since the report sent to you prior to the August Commission meeting.

A. PERSONNEL

The Department of Finance has provided information on implementation of the 2003-04 state budget passed in August, indicating that the Commission will experience a reduction of \$383,269. These cuts must be taken largely from salaries and benefits, and have already been accomplished through the layoff of two employees, who are already reemployed with other agencies, and the elimination of vacant positions.

Executive Fellow Andy Domek's fellowship has ended, and he has left the FPPC to take a position with the Secretary of State's press office. Student Intern Todd Lewellen has left his internship position here and returned to the Stanford University School of Law.

B. STAFF PROJECTS

The Public Education Unit's has been finishing up the latest issue of the FPPC Bulletin. Additionally, they provided extensive information about the FPPC to the Council on Governmental Ethics Laws (COGEL) as part of its national survey update. The unit completed a new web page and automated mailing list dedicated to the staff study on merging Section 1090 and other statutory provisions into the Act. They continue to work on ongoing publications and editing projects.

The Legal and Technical Assistance Divisions are experiencing an inordinate level of advice requests—many of which relate to the gubernatorial recall election. They have formed an inter-divisional working group to expedite these requests.

Technical Assistance Division staff traveled to Vallejo and to Rancho Palos Verdes to conduct candidates & treasurers workshops. TAD also performed outreaches for the Department of Corrections, the Cities of West Hollywood and Diamond Bar, and the County of Colusa.

C. APPROVAL OF CONFLICT OF INTEREST CODES/AMENDMENTS

Since the last Commission meeting, the agency has approved the following codes/amendments:

California Education Legal Services
Department of Finance, State of California

D. FINDINGS OF PROBABLE CAUSE

Pursuant to regulation 18361, I have found evidence in the following cases sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that the following respondents committed or caused a violation of the Political Reform Act. **This finding of probable cause does not constitute a finding that a violation has actually occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding.**

Crawford Law Firm, FPPC No. 02/703. On August 6, 2003, probable cause was found to believe that respondent, a law firm located in Des Moines, Iowa, failed to disclose a late contribution in a properly filed late contribution report, in violation of Government Code Section 84203 (1 count).

Melanie Michaud, FPPC No. 02/533. On August 4, 2003, probable cause was found to believe that respondent, a Commissioner for the Community Services Commission for the City of West Covina, failed to timely file a 2001 annual statement of economic interests, in violation of Government Code Section 87300 (1 count).

E. REQUESTS FOR EXTENTION OF COMMITTEE TERMINATION

Pursuant to regulation 18404.1, campaign committees facing termination by December 31, 2002, who desire an extension of that deadline must submit a request to the Executive Director by December 1, 2002. To date, I have responded to the following requests:

Kelley Assembly Campaign Committee 2002, #990090. First request for extension granted for a three month period to allow time for the committee to process a refund check from one charity and reissue a check to another charity.